

AMENDED IN ASSEMBLY JUNE 22, 2006

AMENDED IN SENATE MAY 2, 2006

AMENDED IN SENATE APRIL 20, 2006

SENATE BILL

No. 1427

Introduced by Senator Chesbro

February 22, 2006

An act to add Section 14132.103 to the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1427, as amended, Chesbro. Medi-Cal: federally qualified health centers.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Services and under which health care services are provided to qualified low-income persons. Federally qualified health center (FQHC) services described under federal law are covered Medi-Cal benefits. Existing law includes within the definition of an FQHC certain entities known as FQHC look-alikes, which have been determined to meet specified funding requirements, but have not received that funding.

Existing law requires that FQHCs be reimbursed on a per-visit basis, and allows an FQHC to apply for an adjustment to its per-visit rate based on a change in the scope of services it provides.

This bill would ~~authorize the provision of~~, *subject to the availability of federal financial participation, require reimbursement under the Medi-Cal program for* FQHC services, as described under federal law, to an FQHC patient, as defined, by ~~certain qualified health professionals~~ *FQHC service providers, as defined*, at locations other

than an FQHC's primary care clinic site, under designated circumstances, *subject to prescribed reimbursement rate limitations*.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Federally qualified health centers (FQHCs) and FQHC
4 look-alikes are required to meet the program expectations for
5 entities funded pursuant to Section 330 of the Public Health
6 Services Act as amended by Public Law 104-299, the Health
7 Centers Consolidation Act of 1996 (Section 254b of Title 42 of
8 the United States Code), and as interpreted by the Health
9 Resources and Services Administration, Bureau of Primary
10 Health Care (BPHC).

11 (b) Based on the federal Bureau of Primary Health Care
12 (BPHC) Policy Information Notice 98-23 outlining program
13 requirements for FQHCs, FQHCs and FQHC look-alikes are
14 required to provide, directly or through contracts or cooperative
15 arrangements, basic health services, including primary care,
16 diagnostic laboratory and radiologic services, preventive
17 services, including prenatal and perinatal services, cancer and
18 other disease screening, well child services, immunizations
19 against vaccine-preventable diseases, screening for elevated
20 blood lead levels, communicable diseases and cholesterol, eye,
21 ear, and dental screening for children, family planning services
22 and preventive dental services, emergency medical and dental
23 services, and pharmaceutical services, as appropriate to a
24 particular health center.

25 (c) According to the BPHC, FQHCs and FQHC look-alikes
26 are required to provide services at locations that ensure services
27 are accessible to the community being served, including at
28 locations ranging from homeless shelters to migrant farmworker
29 camps to public housing communities to schools.

30 (d) In addition, the BPHC requires FQHCs and FQHC
31 look-alikes with programs serving people who are homeless or
32 mobile to engage in extensive outreach to provide services
33 wherever the patients are.

SEC. 2. Section 14132.103 is added to the Welfare and Institutions Code, to read:

14132.103. (a) ~~Notwithstanding any other provision of law, and subject~~ *Subject* to the reimbursement provisions of Section 14087.325, and Sections 14132.100 to 14132.102, inclusive, ~~federally qualified health center (FQHC) when billed at the federally qualified health center's (FQHC) prospective payment system rate, the department shall pay the FQHC's rate for FQHC services, as described in subparagraph (C) of paragraph (2) of subdivision (a) of Section 1396d of Title 42 of the United States Code, may be provided by qualified health professionals who are staff employees or independent contractors of the FQHC, which are provided by FQHC service providers who are licensed pursuant to the Business and Professions Code, as defined in paragraph (3) of subdivision (b), at locations other than the FQHC's primary care clinic site or sites, when approved as within the FQHC's scope of project by the Health Resources and Services Administration to the extent required by federal law, and including locations where including both of the following locations:~~

(1) ~~Where FQHC services of a type the types commonly furnished in the primary care clinic setting are provided to an FQHC patient, and when the patients.~~

(2) ~~Where services are provided to FQHC patients at a location other than the primary care clinic site that will ensure continuity of care for health maintenance or medical reasons.~~

(b) For purposes of this section:

(1) "FQHC" includes an FQHC look-alike, as described in *subclause (II) of clause (ii) of subparagraph (B) of paragraph (2) of subdivision (l) of Section 1396d of Title 42 of the United States Code.*

(2) "FQHC patient" means an individual who receives services at a ~~primary care clinic~~ licensed or exempt from licensure under Section 1204 or 1206 of the Health and Safety Code, a mobile health care unit licensed or exempt from licensure under Chapter 9 (commencing with Section 1765.101) of Division 2 of the Health and Safety Code, *operated by an FQHC*, or at ~~another location~~ *other locations* for which the costs of services are included in the FQHC costs and the services are included as part

1 of the FQHC's scope of project to the extent required by ~~Section~~
2 ~~14132.100~~ federal law.

3 (3) "FQHC service provider" means a provider of the type
4 described in subdivision (g) of Section 14132.100 who is either
5 on the staff of the FQHC as an employee or is an independent
6 contractor.

7 (c) (1) An FQHC shall not ~~contract~~ bill its prospective
8 payment system rate for health care services to ~~be~~ FQHC patients
9 ~~provided at a location other than a primary care clinic site or~~
10 ~~mobile health care unit operated by the FQHC by a health care~~
11 ~~professional who is not a staff employee or independent~~
12 ~~contractor of the FQHC~~ for the sole purpose of passing through
13 the FQHC's prospective payment system ~~interim~~ rate to a
14 another Medi-Cal fee-for-service provider.

15 (2) Paragraph (1) shall not apply to patients receiving health
16 care services at locations specified in paragraph (2) of
17 subdivision (b).

18 (d) Notwithstanding subdivision (c), an FQHC may bill its
19 prospective payment system rate, and the department shall pay
20 the rate, for services ~~may be~~ furnished to FQHC patients under
21 an arrangement with a provider of a type described in subdivision
22 (g) of Section 14132.100 ~~as FQHC services, if, who is not an~~
23 ~~FQHC provider, when services are delivered at the private~~
24 ~~practice site of the provider and locations other than those~~
25 ~~described in paragraph (2) of subdivision (b), if both of the~~
26 following conditions are met:

27 (1) The arrangement for services has received ~~the~~ prior written
28 approval ~~of~~ by the director as necessary and appropriate to ensure
29 access to medically necessary services for Medi-Cal program
30 beneficiaries.

31 (2) ~~The provision of FQHC services provided under the~~
32 ~~arrangement to FQHC patients remain~~ remains under the
33 governance, administration, clinical management, and quality
34 assurance of the FQHC pursuant to written agreement with the
35 provider of the services.

36 (e) The director shall make a final determination on the
37 written request made pursuant to subdivision (d) within 30 days
38 of receipt of that request, subject to all of the following
39 conditions:

1 (1) *The FQHC demonstrates either that no providers of the*
2 *types of speciality services needed in the FQHC's catchment*
3 *area, as defined in subparagraph (B) of paragraph (1) of*
4 *subdivision (a) of Section 2546 of Title 42 of the United States*
5 *Code, are actively enrolled in the Medi-Cal program, or that*
6 *FQHC patients are unable to access speciality services within a*
7 *timeframe or geographic distance that is consistent with sound*
8 *medical practice.*

9 (2) *The provider is duly licensed under the Business and*
10 *Professions Code.*

11 (3) *The provider has not been denied enrollment in, or*
12 *suspended from, the Medi-Cal program pursuant to Article 1.3*
13 *(commencing with Section 14043), within the previous three*
14 *years.*

15 (f) *This section shall only be implemented to the extent that*
16 *federal financial participation is available.*